

## Message Text

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ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

DOT-00 INR-11 NSAE-00 RSC-01 FAA-00 L-03 EUR-25

TRSE-00 PA-04 PRS-01 USIA-15 DRC-01 /098 W

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R 292100Z AUG 74

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 1690

C O N F I D E N T I A L L I M A 7 2 7 6

EO 11652 GDS

TAGS: ETRN PE

SUBJ: CIVAIR - RELATIONS WITH PERU

REFS: STATE 182087; LIMA 6626, 6324

1. EMBASSY APPRECIATES THE THOUGHTFUL ANALYSIS OF OPTIONS IN REGARD TO US-PERU AIR TRANSPORT RELATIONS CONTAINED IN STATE 182087. WE BELIEVE DEPARTMENT'S ANALYSIS ACCURATELY REFLECTS GOP POSITION. KEY HURDLE TO SUCCESSFUL CONSULTATIONS WILL BE TO OVERCOME PERUVIAN INSISTENCE ON PAYMENT OF FIFTH FREEDOM TAX, AND IT POSSIBLE THAT BAIT OUTLINED IN STATE REFTEL, PARTICULARLY ADDITIONAL FREQUENCIES AND ACCESS TO NEW YORK MAY PROVE OF INTEREST TO GOP.

2. IN REGARD TO TACTICS, WE BELIEVE THAT WE WILL HAVE TO FACE UP TO THIS SITUATION SOONER OR LATER. KEY ARGUMENT IN FAVOR OF POSTPONEMENT IS THAT IT IS PREFERABLE THAT AEROPERU ACTUALLY BE OPERATING TO MIAMI PRIOR TO OPENING OF THE TALKS, NOT THAT POSTPONEMENT MAY SERVE TO INDUCE GOP TO REGRAIN FROM ISSUING A DECREE REQUIRING FIFTH FREEDOM TAX PAYMENTS. WE THEREFORE THINK POSTPONEMENT UNTIL OCTOBER, OR AT THE LATEST, EARLY NOVEMBER, IS DESIRABLE.

3. IN THIS REGARD, THE GERMAN EXPERIENCE MAY BE OF INTEREST. THE GERMAN EMBASSY INFORMS US THAT LOW-LEVEL DGTA-GERMAN  
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CIVIL AVIATION AUTHORITIES ARE PRESENTLY HOLDING DISCUSSIONS

IN LIMA UNDER TERMS OF THEIR BILATERAL IN EFFECT TO RESOLVE DIFFERENCE OVER PERU INSISTENCE THAT LUFTHANSA PAY FIFTH FREEDOM TAX WHICH LUFTHANSA HAS REFUSED TO ACKNOWLEDGE AS LEGALLY BINDING. DGTA SO FAR HAS NOT THREATENED GERMANS WITH ISSUANCE OF A DECREE REQUIRING THE TAX, AND THE GERMAN EMBASSY SPECULATES THAT BEFORE SUCH DRASTIC ACTION WOULD BE UNDERTAKEN, DGTA WOULD FIRST AGREE TO FULL-SCALE SECOND-STAGE NEGOTIATIONS BETWEEN THE GERMAN FOREIGN MINISTRY AND THE PERUVIAN FOREIGN MINISTRY, AS REQUIRED BY THEIR BILATERAL. IN THIS REGARD, CANADIAN EMBASSY OFFICER JUST INFORMED US THAT GOP HAS ISSUED A SUPREME DECREE REGARDING CANADIAN PACIFIC AIR TRAFFIC RIGHTS WHICH THEY PLAN TO DISCUSS WITH US IN DETAIL LATER TODAY.

4. AFTER THE AMBASSADOR'S DISCUSSION WITH MINISTER MENESES, DURING WHICH MENESES AGREED TO HOLD CONSULTATIONS AT ANY DATE SUITABLE TO US (SEE LIMA 6626), DCM INFORMED AMBASSADORS MARCHAND AND MACLEAN OF THE FOREIGN MINISTRY ORALLY ON AUGUST 27 THAT THE USG WOULD PREFER CONSULTATIONS IN LIMA IN EITHER OCTOBER OR EARLY NOVEMBER IF THIS IS CONVENIENT TO THE GOP. MARCHAND SAID HE WOULD PASS ON THIS INFORMATION TO THE TRANSPORT MINISTRY IMMEDIATELY.

5. CONCERNING TECHNICAL OPERATION QUESTIONS, FAA REPRESENTATIVE JOHN IRISH RETURNED TO LIMA AUGUST 27 FROM MIAMI WITH AEROPERU'S FAA OPERATIONS SPECIFICATIONS SIGNED AND HAS DELIVERED THEM TO AEROPERU.

6. ACCORDING TO LOCAL PRESS, AEROPERU PRESIDENT GENERAL CARLOS SOTO, WHEN SPEAKING AT AEROPERU'S INAUGURATION OF BUENOS AIRES SERVICE AUGUST 26, TOLD AUDIENCE THAT HIS AIRLINE WILL BEGIN FLIGHTS TO MIAMI ON SEPTEMBER 7 AFTER HAVING RECEIVED OPERATING PERMIT FROM U.S. SOTO NOTED AS WELL THAT "THE PERMISSION ARRIVED A LITTLE LATE, BUT DID COME THROUGH IN THE END. THE COMPANY WAS PLEASED TO HAVE RECEIVED THIS PERMISSION WITHOUT ANY RESTRICTIONS." SOTO ALSO MENTIONED PUBLICLY THAT AEROPERU INTENDS TO FLY TO NEW YORK IN THE FUTURE, AND THAT LOS ANGELES WILL BE INCLUDED IN THEIR SCHEDULES DURING 1975.

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7. IN RELATED MATTER, WASHINGTON STAR NEWS PUBLISHED WILLIAM F. BUCKLEY STORY AUGUST 27 (CARRIED IN WIRELESS FILE) ENTITLED "MEANWHILE IN PERU" IN WHICH BUCKLEY CRITICIZES PRESIDENT VELASCO FOR SIGNING AN AIR AGREEMENT WITH USSR UNDER WHICH AEROFLOT WOULD BE PERMITTED TO "AVAIL ITSELF OF THE ENTIRE RESOURCES OF AEROFLOT IN PERU" IN CASE OF "INTERNATIONAL CONFLICT, INTERNAL DISORDER, OR PUBLIC CALAMITIES." BUCKLEY STATES THAT THIS UNPRECEDENTED

PROVISION COULD ALLOW THE SOVIET UNION TO MAKE ITS AIRLINE AVAILABLE TO PERU "TO HELP QUELL INTERNAL DISORDERS, OR TO WAGE SOME KIND OF MILITARY ACTION AGAINST ITS TRADITIONAL RIVAL TO THE SOUTH, CHILE." AS A MATTER OF CLARIFICATION, THE SAME LANGUAGE IS INCLUDED IN BRANIFF'S 1971 PERMIT AS WELL.

8. ACTION REQUESTED: PLEASE ADVISE EMBASSY OF SPECIFIC DATES FOR CONSULTATIONS, PREFERABLY IN OCTOBER AFTER OFFICIAL INAUGURATION OF MIAMI FREQUENCY ON SEPTEMBER 28, WHICH WE CAN TRANSMIT TO GOP IN ORDER TO TIE DOWN TIMING ASAP.  
DEAN

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## Message Attributes

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